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### Sunset of Economic Growth and Tax Relief Reconciliation Act

This year, Americans are starting to see the benefits of the tax relief package passed by congress. They will be able to keep more of their hard-earned money and be able to use it in a fashion that they decide is most beneficial.

The Economic Growth and Tax Relief Reconciliation Act of 2001 provided working Americans with much needed tax relief by:

- lowering of tax brackets across the board
- repealing the federal death tax
- providing marriage penalty relief
- making it easier to save for retirement by expanding traditional and Roth IRAs
- increasing the child credit from \$500 to \$1,000 when fully phased in

According to the Heritage Foundation, Missouri will benefit from billions of dollars in tax relief over the next decade as the tax cut is phased in.

Over the next decade the tax cut will:

- Increase the child tax credit, giving Missouri residents \$3.7 billion in tax relief. Families of 150,000 children in the 2nd District alone will qualify for the increased child tax credit
- Reduce rates and phases out the estate tax, providing Missouri taxpayers with \$21.8 billion in tax relief
- Reform the marriage penalty, giving Missourians \$1.5 billion in tax relief

The tax relief package passed last summer by Congress is having and will have a real, positive impact on our economy and lives. Unfortunately, opponents of tax relief used a technical Senate rule to impose a December 31, 2010 sunset for the tax cut. If Congress does not act, on January 1, 2011:

- Individual income tax rates will return to pre-tax cut levels, resulting in a major across the board tax hike
- The marriage tax penalty will return
- The child tax credit will be cut in half and return to the \$500 level
- The death tax will be reinstated
- IRA contribution limits will drop

If Congress does not remove the 2011 sunset, business owners, farmers and others will be unable to plan confidently for the future. The sunset would act as a historically large tax hike, harming the economy and discouraging retirement savings by lowering IRA contribution limits.

